

## UNITED STATES DISTRICT COURT

for the

Eastern District of Michigan

United States of America

v.

MALIQUE SANDERS

Case No. Case: 2:22-mj-30292  
Assigned To : Unassigned  
Assign. Date : 7/5/2022  
USA V. SEALED MATTER (CMP)(CMC)

## CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of May 2020 to July 2021 in the county of Wayne in the  
Eastern District of Michigan, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
18 USC § 1341	Mail Fraud
18 USC § 1343	Wire Fraud
18 USC § 1028A	Aggravated Identity Theft

This criminal complaint is based on these facts:

See Attached Affidavit

☒ Continued on the attached sheet.

Sworn to before me and signed in my presence  
and/or by reliable electronic means.

Date: July 5, 2022

City and state: Detroit, MI

  
Complainant's signature

Special Agent Miguel A. Colon  
Printed name and title

  
Judge's signature

Kimberly G. Altman, U.S. Magistrate Judge  
Printed name and title

**AFFIDAVIT IN SUPPORT OF A COMPLAINT**

I, Miguel A. Colon, being first duly sworn, hereby depose and state as follows:

**INTRODUCTION AND AGENT BACKGROUND**

1. I am a Special Agent of the U.S. Department of Labor, Office of Inspector General, Office of Investigations - Labor Racketeering and Fraud (“DOL-OIG/OI-LRF”) and have been since December 2017. I am currently assigned to the Federal Bureau of Investigation (“FBI”) Violent Gang Task Force (“VGTF”), where I participate in investigations of street gangs and violent offenders committing various violations of federal law, including weapons and narcotics trafficking, violent crimes, and fraud. Prior to my current assignment, I was assigned to the Homeland Security Investigations’ Document and Benefit Fraud Task Force, where I investigated criminal activity including, but not limited to, identity theft, money laundering, visa fraud and other financial fraud. I have conducted numerous investigations involving identity theft, labor, financial and unemployment insurance fraud schemes. In addition to my experience, I have also received significant law enforcement training, including graduating from the Criminal Investigator Training Program at the Federal Law Enforcement Training Center.

2. As a Special Agent, I have conducted numerous investigations into criminal violations of both Title 29 and Title 18 of the United States Code. During this time, I have been either the lead agent or supporting agent on several investigations involving criminal schemes targeting the unemployment insurance (“UI”) program through the filing of false or fictitious UI claims. Based on my direct personal experience with these cases, I have become familiar with the methods that criminals use to attack and exploit the UI systems as well as the criminals’ reliance on the use of email and other internet or online tools and systems to facilitate that fraud.

3. Probable cause exists that **Malique SANDERS** (DOB: XX-XX-2001) has engaged in unemployment insurance fraud and has committed mail fraud (18 U.S.C. § 1341), wire fraud (18 U.S.C. § 1343), and aggravated identity theft (18 U.S.C. § 1028A). His scheme involved the filing of a fraudulent UI claim through the internet, using misappropriated personal identifying information (“PII”) of real persons, and the withdrawal of fraudulently obtained UI funds utilizing debit cards that had been sent through the mail at ATMs in the Eastern District of Michigan.

4. I make this affidavit based upon personal involvement in the subject criminal investigation, including review of: financial, employment, internet service provider, utility and property records; records from relevant state agencies regarding UI claims; and law enforcement surveillances. I have also been provided

with information from other law enforcement agents and officials, including agents and officials from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and the State of California State Workforce Agency. This affidavit does not contain all the facts developed to date in the underlying investigation and is being submitted for the limited purpose of establishing probable cause to secure a criminal complaint and arrest warrant.

### **UNEMPLOYMENT INSURANCE BACKGROUND**

5. The Social Security Act of 1935 initiated the federal and state Unemployment Insurance system. The system provides benefits to individuals who are unemployed for reasons beyond their control. The purpose of the Unemployment Insurance system is twofold: first, to lessen the effects of unemployment through cash payments made directly to laid-off workers, and second, to ensure that life necessities are met on a weekly basis while the worker seeks employment. In the State of California, the Unemployment Insurance system is administered by the California Employment Development Department (“EDD”). The U.S. Department of Labor funds many Unemployment Insurance Agency administrative costs, including salaries, office expenses, and computer equipment.

6. State unemployment systems and benefits are joint state and federal enterprises largely financed by taxes on private employers located in that state. In 2020 and 2021, the federal government provided significant supplemental benefits

to the states as a result of the COVID-19 pandemic. Beginning in or about March 2020 and continuing through September 4, 2021, the Families First Coronavirus Response Act; Coronavirus Aid, Relief, and Economic Security Act; and the American Rescue Plan Act of 2021 created federal programs that allowed for the significant outlay of federal funds flowing to and through the states to offset the historic need for unemployment benefits by the American workforce, including in the state of California. Collectively, these benefits are often referred to as Pandemic Unemployment Assistance (“PUA”).

7. Normally (in the absence of fraud), an unemployed worker initiates an Unemployment Insurance claim. This can be accomplished by submitting a claim in person, over the telephone, or via the Internet. Currently, most Unemployment Insurance claims in California are filed online via the Internet through the EDD website. When a claimant using an internet protocol (“IP”) address registered in Michigan files a claim with an out-of-state UI agency, the servers used to process those claims are located outside the state of Michigan. For example, a California UI claim filed from an IP address registered to a Michigan residence will be processed through a server located outside of the state of Michigan.

8. To be eligible for Unemployment Insurance benefits, the worker must demonstrate a certain level of earnings in several quarters immediately preceding the application. The amount of benefits that an Unemployment

Insurance claimant might be eligible for depends on a variety of factors, including but not limited to the length of his or her previous employment and the amount of wages he or she earned.

9. The EDD will either approve or reject an Unemployment Insurance claim based on the application made by the unemployed worker. If the EDD approves an Unemployment Insurance claim, the claimant may re-certify the claim via telephone or Internet at various times during the life of the claim. The worker must also certify that he or she is still unemployed and actively seeking work. Unemployment benefits in California are provided to a claimant with a debit card, issued by Bank of America (“BOA”), which is mailed to the claimant through the U.S. Postal Service.

10. All EFTs of Unemployment Insurance benefits to California Unemployment Insurance claimants involve the transmission of electronic signals through one of BOA’s two data centers, which are located in Virginia and Colorado. These are interstate wire communications.

### **PROBABLE CAUSE**

11. I have probable cause to believe that **Malique SANDERS** engaged in an unemployment insurance fraud scheme that has defrauded the state of California of thousands of federal dollars earmarked for Pandemic Unemployment Assistance.

12. Agents searched a DOL-OIG database that contains information related to UI applications and benefits paid for claims in **SANDERS'** name. Agents identified through a search of the database that an address associated with **SANDERS**, 154XX Forrer St., Detroit, MI, was listed as the mailing address on 10 separate UI claims in three separate states.

13. Agents determined that the registered IP address associated with 154XX Forrer St was IP 68.36.164.242 ("IP 242"), which is controlled by Comcast. Agents obtained subscriber and billing records for IP 242, which stated the account holder was Shaiyara Sanders, who agents believe is a relative of Malique SANDERS. Agents conducted a search of IP 242 in the UI database, which revealed that on August 26, 2020, and August 31, 2020, this IP address filed two fraudulent UI claims in the state of California.

14. On October 20, 2021, agents conducted surveillance of 154XX Forrer St. and witnessed SANDERS exiting the residence. 154XX Forrer St. was also listed on SANDERS' Michigan driver's license. In addition, SANDERS' legitimate Michigan UI claim listed 154XX Forrer St. as his residence. Based on my experiences in other UI fraud investigations, the ultimate mailing address for the UI debit card on an account is often an address where the individual who filed the fraudulent claim resides or visits, because that is the location where the UI debit card will be sent and received. Due to the association with accountholder

Shaiyara Sanders, agents believe 154XX Forrer St. was an address used by SANDERS to engage in UI fraud.

UI Fraud Associated with SANDERS

UI Account in J.B.'s Name

15. On August 26, 2020, a fraudulent California UI claim was filed in the name, SSN and D.O.B. of J.B., a real person, from IP 242. Documents provided by the California EDD, which I have reviewed, revealed that the mailing address registered on the UI claim was 154XX Forrer St., Detroit, MI.

16. On or around August 28, 2020, a BOA UI debit card ending in 2537 in J.B.'s name was mailed, via USPS, to 154XX Forrer St, Detroit, MI 48228. On August 29, 2020, \$16,940 was deposited into the debit account, established by the California EDD, in J.B.'s name.

17. A law enforcement database revealed that J.B. is a resident of Nevada, not California. Agents also reviewed state wage records associated with J.B., which revealed no employment history in California, which was falsely attested to in the California UI claim filed on August 26, 2020. The same wage records revealed J.B. was employed in Nevada, and not California. In addition, during the same timeframe, a legitimate UI claim in the name of J.B. was filed in



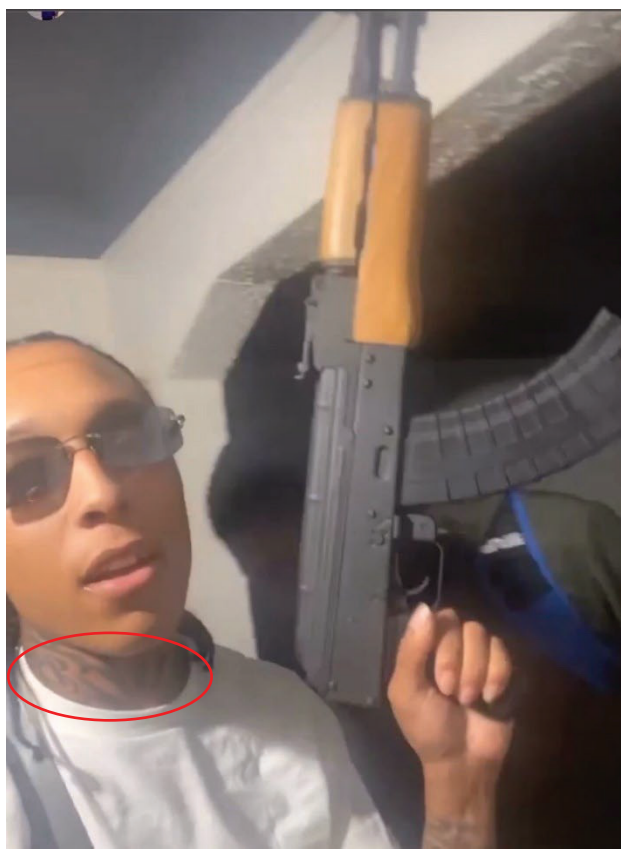
the state of Nevada. Records provided by BOA revealed that between May 13, 2020, through July 2, 2021, J.B. collected UI benefits from the state of Nevada.

18. On June 16, 2022, BOA provided agents with ATM surveillance images of 7 separate cash withdrawals made from the UI debit account set up J.B.'s name between September 4, 2020 and September 11, 2020, in the Eastern District of Michigan. Based on my review of the ATM surveillance images, I have concluded that the individual in the ATM surveillance images is **SANDERS**.

19. The picture below is an ATM surveillance image of **SANDERS** withdrawing fraudulently obtained UI funds using the UI debit card in J.B.'s name on September 7, 2020 in the Eastern District of Michigan.



20. Although the individual displayed in the image above is wearing a mask, the facial features and body composition match those of **SANDERS**. In addition, the arm and neck tattoos visible in the ATM surveillance image match those of **SANDERS**. The photo below of **SANDERS**, which shows the matching neck tattoos visible in the ATM surveillance image, was taken from his public Instagram account.



21. Probable cause exists that **SANDERS** committed wire fraud, mail fraud and aggravated identity theft in connection with the fraudulent UI claim filed in J.B.'s name, and his fraudulent use of a UI debit card in J.B.'s name (that was

sent through the mail) to withdraw fraudulently obtained UI funds at an ATM in the Eastern District of Michigan.

**CONCLUSION**

22. Based on the forgoing, there is probable cause to believe that Malique **SANDERS** has committed mail fraud (18 U.S.C. § 1341), wire fraud (18 U.S.C. § 1343) and aggravated identity theft (18 U.S.C. § 1028A) in connection with a scheme to defraud the federal/state unemployment insurance program and obtain unemployment benefits by means of false and fraudulent pretenses and representations.

Respectfully submitted,



Miguel A. Colon  
Special Agent  
U.S. Department of Labor  
Office of Inspector General

Sworn to before me and signed in my presence  
and/or by reliable electronic means.

Date: July 5, 2022



Kimberly G. Altman  
United States Magistrate Judge